

WEST CENTRAL DEVELOPMENT CORPORATION
Independent Auditors' Report
Financial Statements
And
Supplemental Information
Schedule of Findings and Questioned Costs
September 30, 2006

WEST CENTRAL DEVELOPMENT CORPORATION

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WEST CENTRAL DEVELOPMENT CORPORATION

WEST CENTRAL DEVELOPMENT CORPORATION
Board of Directors and Management
September 30, 2006

Officers

Delbert King	President
Larry King	Vice-President
Joyce Rodenborn	Secretary

Board Members

<u>County</u>	<u>Representing Government</u>	<u>Representing Private</u>	<u>Representing Low-Income</u>
Cass	Don Volk	Dr. Keith Swanson	Joyce Goff
Crawford	G. Dean Hargens	John Lawler	Dan Muhlbauer
Fremont	Chuck Larson	Rayann West	Becky Fichter
Harrison	Larry King	Bob Wentworth	Don Rodasky
Mills	Ron Kohn	Wanda Williams	Janet Fisher
Monona	Lester Nordaker	Geri Johnson	Richard Swain
Montgomery	Dale Carlson	Linda Southworth	JoAnn Thomas
Page	Elaine Armstrong	Bill Royer	Joyce Martin
Pottawattamie	Delbert King	Darlene McMartin	Marci Ludington
Shelby	Richard Ferry	Joyce Rodenborn	Judith Knapp

Management

Joel Dirks	Executive Director
Barb English	Fiscal Officer
Dennis Lawson	Human Resource Director
Glenna Thompson	Child Care Resource and Referral Director
Janice Nielsen	Youth Services Director
Marilyn Rodacker	Energy/Housing Director
Brenda Henning	Outreach Development Director
Glenda Heyderhoff	WIC Coordinator
Douglas Paine	Senior Aide Project Director
Billye Dollen	Executive Secretary
Mary Cummings	FADSS Coordinator

The Board of Directors and Officers of West Central Development Corporation represent each of the counties. The board members shall serve as follows:

- a. One-third shall be persons who are currently on a board of supervisors or their designee and appointed each January by each county board.
- b. One-third shall be persons who are representatives of business, industry, labor, religious, welfare, and education organizations, or other major interest groups. Individuals are nominated by these interest groups and elected by the Organization's Board of Directors to a three year term with no limit on the number of terms they may serve.
- c. At least one-third shall be persons who, according to federal guidelines, have incomes at or below poverty level and are elected by such persons, or are representatives elected by such persons for a three-year term with no limit on the number of terms they may serve.

WEST CENTRAL DEVELOPMENT CORPORATION

Independent Auditors' Report

To the Board of Directors
West Central Development Corporation
Harlan, Iowa

We have audited the accompanying statement of financial position of West Central Development Corporation as of September 30, 2006 and the related statements of activities, functional expenses, and cash flows for the year then ended. These financial statements are the responsibility of West Central Development Corporation's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of West Central Development Corporation as of September 30, 2006, and the changes in its net assets and its cash flows for the year then ended in conformity with U.S. generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 15, 2006 on our consideration of West Central Development Corporation's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Our audit was performed for the purposes of forming an opinion on the basic financial statements of West Central Development Corporation taken as a whole. The supplemental information as listed in the table of contents, including the Schedule of Expenditures of Federal Awards, is presented for the purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-profit Organizations*, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The accompanying Non-GAAP supplemental information as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Williams & Company P.C.
Certified Public Accountants

Onawa, Iowa
December 15, 2006

WEST CENTRAL DEVELOPMENT CORPORATION

WEST CENTRAL DEVELOPMENT CORPORATION

WEST CENTRAL DEVELOPMENT CORPORATION
Statement of Financial Position
September 30, 2006

<u>Assets</u>	<u>Current</u>	<u>Local Property and Equipment</u>	<u>Total</u>
Current Assets			
Cash	\$ 409,411		\$ 409,411
Short-Term Investments	714,976		714,976
Receivables			
Grant Awards and Contracts - Note 2	731,298		731,298
Other	6,514		6,514
Prepaid Expenses	16,911		16,911
Total Current Assets	<u>1,879,110</u>	<u>-</u>	<u>1,879,110</u>
Property and Equipment - Note 4			
Land		\$ 57,985	57,985
Building and Leasehold Improvements		2,218,191	2,218,191
Vehicles and Equipment		1,402,870	1,402,870
	<u>-</u>	3,679,046	3,679,046
Accumulated Depreciation		1,251,319	1,251,319
Net Property and Equipment		<u>2,427,727</u>	<u>2,427,727</u>
Total Assets	<u>1,879,110</u>	<u>2,427,727</u>	<u>4,306,837</u>
 <u>Liabilities and Net Assets</u>			
Liabilities and Net Assets			
Accounts Payable	432,729		432,729
Accrued Wages	111,062		111,062
Payroll Taxes and Benefits Payable	117,704		117,704
Accrued Vacation	277,747		277,747
Note Payable Shelby County State Bank - Note 8		151,127	151,127
Note Payable Bank Iowa - Note 8		238,340	238,340
Note Payable USDA - Note 8		568,469	568,469
Deferred Revenue - Note 3	31,104		31,104
Total Liabilities	<u>970,346</u>	<u>957,936</u>	<u>1,928,282</u>
Net Assets			
Unrestricted			
Invested in Property and Equipment		1,469,791	1,469,791
Designated for Programs	52,018		52,018
Undesignated	856,746		856,746
Total Net Assets	<u>908,764</u>	<u>1,469,791</u>	<u>2,378,555</u>
 Total Liabilities and Net Assets	 <u>\$ 1,879,110</u>	 <u>\$ 2,427,727</u>	 <u>\$ 4,306,837</u>

See Accompanying Notes to Financial Statements

WEST CENTRAL DEVELOPMENT CORPORATION

Statement of Activities

For the Year Ended September 30, 2006

	Current	Local Property and Equipment	Total
Support and Revenue			
Federal Grants and Contract Revenue	\$ 12,115,223		\$ 12,115,223
State and Local Grants and Contract Revenue	646,221		646,221
County Support	29,875		29,875
Program Income and Donations	9,280		9,280
Interest Income	29,038		29,038
Other Revenue	485,182		485,182
Gain of Sale of Fixed Assets	37,000		37,000
In Kind Professional Services	31,663		31,663
Total Support and Revenue	<u>13,383,482</u>	<u>-</u>	<u>13,383,482</u>
Expenses			
Program Services			
CSBG	51,000		51,000
Low Income Home Energy Assistance Program	3,947,483		3,947,483
Head Start	3,389,714		3,389,714
Weatherization Assistance	616,759		616,759
Utility Weatherization Assistance	294,262		294,262
Women, Infants, and Children	424,121		424,121
Child and Adult Care Food Program - Homes	933,114		933,114
Child and Adult Care Food Program - Centers	315,970		315,970
Child Care Resource and Referral	850,893		850,893
Family Development	390,724		390,724
Senior Service America, Inc.	440,722		440,722
I Care	104,053		104,053
Pottawattamie Empowerment	228,638		228,638
C/M/M Empowerment	102,952		102,952
Corner Counties Empowerment	34,087		34,087
Community Food Assistance Program	20,042		20,042
Pottawattamie County Quality Rating	19,192		19,192
Emergency Food and Shelter Program	49,080		49,080
Other Programs	548,514		548,514
Cost Allocation Pools - Net of Internal Reimbursements	392,167		392,167
Total Expenses-Program Services	<u>13,153,487</u>	<u>-</u>	<u>13,153,487</u>
Administration and General Expenses			
Undesignated Fund Expenses	102,084		102,084
Interest Payments		\$ 50,809	50,809
Depreciation		153,065	153,065
Total Administration and General Expenses	<u>102,084</u>	<u>203,874</u>	<u>305,958</u>
Total Expenses	<u>13,255,571</u>	<u>203,874</u>	<u>13,459,445</u>
Excess (Deficiency) of Support and Revenue Over Expenses Before Capital Activity	127,911	(203,874)	(75,963)
Capital Activity			
Capital Additions - Purchase of Capital Equipment and Buildings		77,623	77,623
Borrowings for Equipment	39,749	(39,749)	-
Net Capital Activity	<u>39,749</u>	<u>37,874</u>	<u>77,623</u>
Excess (Deficiency) of Support and Revenue Over Expenses After Capital Activity	167,660	(166,000)	1,660
Transfers - Principal and Interest Payments	(82,501)	82,501	-
Change in Unrestricted Net Assets	85,159	(83,499)	1,660
Net Assets - Beginning of Year	823,605	1,553,290	2,376,895
Net Assets - End of Year	<u>\$ 908,764</u>	<u>\$ 1,469,791</u>	<u>\$ 2,378,555</u>

See Accompanying Notes to Financial Statements

WEST CENTRAL DEVELOPMENT CORPORATION
Statement of Functional Expenses
For the Year Ended September 30, 2006

	Program Services	Indirect Management and General	Total
Expenses			
Personnel	\$ 3,922,431	\$ 341,519	\$ 4,263,950
Fringe Benefits and Payroll Taxes	1,265,893	100,476	1,366,369
Contract Labor	537,875		537,875
Supplies	203,159	30,030	233,189
Rent	288,127	18,619	306,746
Buildings and Equipment	75,297	52,055	127,352
Travel	134,832	9,258	144,090
Telephone	86,490	4,193	90,683
Utilities	56,506	18,450	74,956
Assistance to Individuals	5,343,008		5,343,008
Other Direct Expenses	639,514	77,494	717,008
In Kind Professional Services	50,345		50,345
Interest		50,809	50,809
Depreciation		153,065	153,065
Indirect Costs	550,010	(550,010)	
Total Program and Supporting Expenses	<u>13,153,487</u>	<u>305,958</u>	<u>13,459,445</u>
Total Expenses	<u>\$ 13,153,487</u>	<u>\$ 305,958</u>	<u>\$ 13,459,445</u>

See Accompanying Notes to Financial Statements

WEST CENTRAL DEVELOPMENT CORPORATION
Statement of Cash Flows
For the Year Ended September 30, 2006

Cash Flows from Operating Activities	
Change in Unrestricted Net Assets	\$ 1,660
Adjustments to Reconcile Excess of Support and Revenue over	
Expenses to Net Cash Provided by Operating Activities	
Expenses Not Requiring Cash Expenditures - Depreciation	153,065
Gain on the Sale of Fixed Assets	(37,000)
Changes in Asset and Liability Accounts Affecting Cash	
Receivables	(1,211)
Prepaid Expenses	3,238
Accounts Payable, Accrued Expenses	
and Liability to Funding Sources	(62,999)
Deferred Revenue	12,979
Net Cash Flows from Operating Activities	<u>69,732</u>
Cash Flows from Investing Activities	
Purchase of Property and Equipment	(77,623)
Proceeds from the Sale of Fixed Assets	37,000
Net Cash Flows from Investing Activity	<u>(40,623)</u>
Cash Flows from Financing Activities	
Payments on Shelby County State Bank Notes Payable	(11,832)
Proceeds from Shelby County State Bank Note	39,749
Payments on Bank Iowa Note Payable	(11,603)
Payments on USDA Notes Payable	(8,257)
Net Cash Flows from Financing Activity	<u>8,057</u>
Net Increase in Cash	37,166
Cash Balances - Beginning of Year	<u>1,087,221</u>
Cash Balances - End of Year	<u><u>1,124,387</u></u>
Cash	409,411
Short-Term Investments	714,976
	<u><u>\$ 1,124,387</u></u>

See Accompanying Notes to Financial Statements

WEST CENTRAL DEVELOPMENT CORPORATION
Notes to Financial Statements
September 30, 2006

Note 1 - Summary of Significant Accounting Policies

West Central Development Corporation (WCDC) is a private nonprofit corporation and is exempt from income tax under Section 501(c) (3) of the Internal Revenue Code. The Organization was incorporated in 1965 under the laws of the State of Iowa under Chapter 504 of the Code of Iowa. The Organization is not considered a private foundation for income tax reporting purposes.

WCDC serves the Iowa counties of Cass, Crawford, Fremont, Harrison, Mills, Monona, Montgomery, Page, Pottawattamie, and Shelby.

WCDC's primary purpose is to administer and deliver social services for needy citizens in western and southwest Iowa. Funding and support is generally provided through contracts with the federal, state, and local government agencies and through local community support. These programs are operated for the benefit of eligible participants as defined under guidelines issued by the respective granting agencies.

- A. **Basis of Accounting** – Basis of accounting refers to when revenues and expenses are recognized in the accounts and reported in the financial statements. These financial statements are prepared on the accrual basis of accounting in conformity with U.S. generally accepted accounting principles. Revenues are recognized when earned and expenses are recorded when the liability is incurred.
- B. **Basis of Presentation** – Net assets and revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the Organization and changes therein are classified and reported as follows:

Unrestricted Net Assets – Net assets that are not subject to donor-imposed stipulations.

Revenues are reported as increases in unrestricted net assets unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in unrestricted net assets. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in unrestricted net assets unless their use is restricted by explicit donor stipulation or by law.

1. Current assets primarily represent resources provided through Federal and State grant awards or contract revenue and support from other organizations. These funds are used to finance operations of various programs in accordance with applicable grant or contract provisions. Other revenue such as donations and interest income are also used to finance program activities. The following is a description of the principal programs administered by the organization.
 - a. **Community Service Block Grant (CSBG)** is funded by the U.S. Department of Health and Human Services through the Iowa Department of Human Rights on an annual basis. The grant provides funding for the administration of human service programs or provides direct support to individual programs, which require co-funding to complete their activities.
 - b. **Low Income Home Energy Assistance Program (LIHEAP)** is funded by the U.S. Department of Health and Human Services through the Iowa Department of Human Rights.

WEST CENTRAL DEVELOPMENT CORPORATION
Notes to Financial Statements
September 30, 2006

Note 1 - Summary of Significant Accounting Policies – (Continued)

- c. **Head Start** is funded by the U.S. Department of Health and Human Services through an annual grant. Head Start provides a comprehensive developmental program for preschool children, primarily all of whom come from low income families.
- d. **Senior Service America, Inc.** funds the Senior Aides grant. The program provides employment activities for senior citizens.
- e. **Child and Adult Care Food Program** is funded by the U.S. Department of Agriculture through the Iowa Department of Education under annual contracts. The contracts provide assistance for food and nutritional needs of low-income children enrolled in head start centers and day care homes.
- f. **Special Supplemental Food Program for Women, Infants, and Children (WIC)** is funded by the U.S. Department of Agriculture through the Iowa Department of Public Health under an annual grant. The program provides nutritional assistance to low income woman who are pregnant or who have an infant child, and to children under the age of five years.
- g. **Child Care Resource and Referral** was funded through a grant from the Iowa Department of Human Services. The program provides for the development and operation of child care resource and referral services.
- h. **Family Development and Self-Sufficiency Grant** was funded by the Iowa Department of Human Rights. The program provides family development and self-sufficiency counseling assistance to low income households.
- i. **Weatherization Assistance** programs are funded through grants from both the U.S. Department of Energy and the U.S. Department of Health and Human Services through the Iowa Department of Human Rights. Additional funding is provided by area utility companies to supplement the grants. The programs provide resources to weatherize the homes of qualifying low-income households.
- j. Other programs administered by the Organization are as follows:

<u>Title</u>	<u>Expenses</u>
Wrap-Around Child Care Grant	\$ 436,729
Head Start Parent Fund	4,795
Project Helper	23,716
Embrace Iowa	10,667
Project Share	22,767
I Care	104,053
Harrison/Monona/Shelby Empowerment	48,683
Pottawattamie Empowerment	228,638
Cass/Mills/Montgomery Empowerment	102,952
Corner Counties Empowerment	34,087
Shelby County Early Childhood Center	20,131
Clarinda Early Childhood Center	18,270
Community Food Assistance	20,042
Pottawattamie County Quality Rating	19,192
Harrison/Monona/Shelby Quality Improvement	1,550
Emergency Food and Shelter Program	\$ 49,080

WEST CENTRAL DEVELOPMENT CORPORATION
Notes to Financial Statements
September 30, 2006

Note 1 - **Summary of Significant Accounting Policies** – (Continued)

- C. **Contributions** – Contributions, including unconditional promises to give, are recognized as revenue in the period received. Conditional promises to give are not recognized until they become unconditional; that is, when the conditions on which they depend are substantially met. Contributions of assets other than cash are recorded at their estimated fair value. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. All contributions of the Organization are recorded as unrestricted net assets for the year ended September 30, 2006.
- D. **Contributed Services** - During the year many non-professional individuals volunteer their time and perform a variety of tasks that assist the organization at various facilities for various programs including Outreach, Head Start and Child Care Resource and Referral. These services are not recorded on the basic financial statements but carry an estimated value of approximately \$936,798.
- E. **Estimates** - The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, gains, expenses, and losses during the reporting period. Actual results could differ from those estimates.
- F. **Property and Equipment** - Property and equipment purchased with grant funds are recorded as a program expense in the grant expending the funds and recorded in the plant accounts to allow for tracking the historical cost of acquired fixed assets and the related depreciation (recorded using the straight - line method). The net property and equipment is recorded as an unrestricted net asset in these financial statements.
- G. **Income Taxes** - The Organization is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code.
- H. **Cash and Cash Equivalents** - For purposes of the statement of cash flows, the Organization considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash and cash equivalents.
- I. **Investments** – Short term investments consist of Certificates of Deposits. The market values of these Certificates of Deposits are equal to the book values of the certificates.
- J. **Indirect Cost Plan** - The Agency charges indirect program costs to an indirect cost pool and distributes these costs to programs on the basis of an indirect cost rate approved by the Department of Health and Human Services. The Indirect rate is applied to the program's wages and fringe benefits in determining the amount of indirect cost charged to each program from the indirect cost pool. Other common costs are allocated to programs on the basis of usage logs, space utilized, or other methods determined from recorded activities.

WEST CENTRAL DEVELOPMENT CORPORATION
Notes to Financial Statements
September 30, 2006

Note 1 - Summary of Significant Accounting Policies – (Continued)

- K. **Financial Instruments** - Financial instruments, which potentially subject the Organization to concentration of credit risk, consist of cash and cash equivalents. The Organization maintains its cash balances in four local area banks. The accounts are insured up to \$100,000 per each banking institution. At the end of the year the Organization had \$ 1,230,289 of cash deposits in banks, of which \$741,858 was over the insured limits. However, the banks with deposits in excess of the insured amounts have pledged securities they were holding as collateral for the deposits.
- L. **Advertising Costs** - Advertising costs are expensed as incurred. Total advertising costs were \$12,484.
- M. **Receivables** - Receivables from Grantor Agencies – Reimbursement procedures used for grants and contracts may result in timing differences between program reimbursements and expenses as of the beginning and end of the year. Receivables from grantor agencies represent an excess of expenses over cash basis reimbursements at year-end.
- Accounts Receivable/Other consist of amounts due from local non-federal grants and refunds from utility companies.
- N. **Deferred Revenue** – Deferred revenue represents an excess of cash advances by the funding source over accrued expenses at year end.

Note 2 - Grant Receivable - A summary of contract/grant receivables follows:

	<u>Receivable</u>
Low Income Home Energy Assistance	\$ 92,151
Head Start	143,012
Wrap Around Child Care Grant	19,966
Weatherization Assistance	2,408
Utility Weatherization Assistance	5,533
WIC	63,718
CACFP – Homes.....	72,395
CACFP – Centers	34,022
Child Care Resource & Referral	118,214
Family Development	82,639
Senior Service America, Inc.	8,021
Project Helper	2,026
I Care.....	1,191
Harrison/Monona/Shelby Empowerment	8,648
Pottawattamie County Empowerment	50,022
Cass/Mills/Montgomery Empowerment	19,584
Corner Counties Empowerment	6,198
Harrison/Monona/Shelby Quality Improvement	1,550
Total Grant Receivable	<u>\$ 731,298</u>

WEST CENTRAL DEVELOPMENT CORPORATION
Notes to Financial Statements
September 30, 2006

Note 3 - **Deferred Revenues** – A summary of grant/contract advances follows:

	<u>Advances</u>
Community Service Block Grant	\$ 6,061
Pottawattamie County Quality Rating	19,008
Emergency Food and Shelter Program	<u>6,035</u>
Total Deferred Revenues	<u>\$ 31,104</u>

Note 4 - **Property and Equipment** - Property and equipment are recorded at cost and consists of the following:

	Balance October 1, 2005	Additions	Deductions and Retirements	Balance September 30, 2006
Land	\$ 57,985			\$ 57,985
Buildings and Leasehold Improvements	2,231,482	\$ 1,347	\$ 14,638	2,218,191
Office Furnishings and Equipment	713,366	9,540		722,906
Vehicles	<u>657,699</u>	<u>71,675</u>	<u>49,410</u>	<u>679,964</u>
	3,660,532	82,562	64,048	3,679,046
Less: Accumulated Depreciation	<u>1,157,363</u>	<u>153,065</u>	<u>59,109</u>	<u>1,251,319</u>
Net	<u>\$ 2,503,169</u>	<u>\$ (70,503)</u>	<u>\$ 4,939</u>	<u>\$ 2,427,727</u>

Note 5 - **Operating Leases** - The Organization leases administrative and program office space, vehicles, and various office equipment under operating leases expiring in 2007 through 2011.

Minimum future rental payments under existing leases for the next five years are as follows:

Year Ending	Amount
2007	74,559
2008	20,541
2009	2,532
2010	2,532
2011	2,321

All other rental expenses come from month-to-month lease agreements.

Note 6 - **403(B) Retirement Plan** - The Organization subscribes to a tax deferred annuity retirement plan covering substantially all employees who normally work more than 20 hours per week. The plan is administered by The Equitable Life Assurance Society of the United States. Employees are allowed to contribute a percentage of their wages and the Organization matches a portion of each employee's contribution. During the year ended September 30, 2006, the Organization contributed \$15,617.

WEST CENTRAL DEVELOPMENT CORPORATION
Notes to Financial Statements
September 30, 2006

Note 7 - **IPERS** – Starting in February 1999, employees were offered the option of switching from the 403(b) Plan to IPERS. The Organization will pay the employer share of 5.75% on either IPERS or the 403(b), but not both.

Iowa Public Employees Retirement System (IPERS) is a cost-sharing multiple-employer defined benefit pension plan administered by the State of Iowa. IPERS provides retirement and death benefits which are established by state statute to plan members and beneficiaries. IPERS issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by writing to IPERS, P.O. Box 9117, Des Moines, Iowa, 50306-9117.

Plan members are required to contribute 3.70% of their annual covered salary and the Organization is required to contribute 5.75% of annual covered payroll. Contribution requirements are established by state statute. The Organization's contribution to IPERS for the year ended September 30, 2006 was \$187,450, equal to the required contribution for this year.

Note 8 - **Note Payable Shelby County State Bank** – The Organization obtained a note payable from Shelby County State Bank on June 12, 2001 for \$125,000 to purchase a building to house Head Start in Council Bluffs. The terms of this note was changed in January 2006 to a variable interest rate which is currently at 7.375%. The note matures January 14, 2018. The monthly payments are \$1,268. At September 30, 2006, the balance was \$115,953. The note is secured by a real estate mortgage on the commercial building in Council Bluffs.

The Organization also entered into a note payable from Shelby County State Bank in January 2006 for \$39,749 with an interest rate of 6.45% to purchase two 2006 Dodge vans. The note matures in January 2011. The monthly payments are \$777. At September 30, 2006, the balance was \$35,175. The note is secured by the vans.

Note Payable Bank Iowa – The Organization entered into a loan agreement with Bank Iowa, Clarinda, Iowa for \$400,000 at an interest rate of 6.7% to be used for the construction project in Clarinda, Iowa. The terms of the loan agreement require a payment of \$150,000 on January 22, 2005 with the balance amortized over 15 years with a monthly payment of \$2,218. The terms of the note were fixed at March 31, 2005 with monthly payments of \$2,350 and the note maturing on January 1, 2020. At March 31, 2005 the amount of the note was \$318,576 and due to advanced payments, the outstanding balance at September 30, 2006 is \$238,340. The note is secured by a real estate mortgage on the property in Clarinda.

Note Payable United States Department of Agriculture - On September 25, 2003, the Organization entered into a Loan Resolution Security Agreement with the United States Department of Agriculture Rural Development for \$525,000, with an interest rate of 4.25%. The note matures September 2043. The monthly payment is \$2,300. At September 30, 2006, the balance was \$512,766.

WEST CENTRAL DEVELOPMENT CORPORATION
Notes to Financial Statements
September 30, 2006

Note 8 – Note Payable – (Cont.)

On September 25, 2003, the Organization also entered into a Loan Resolution Security Agreement with the United States Department of Agriculture Rural Development for \$85,000, with an interest rate of 4.25%. This note matures September 2043. The monthly payment is \$373. At September 30, 2006, the balance was \$55,702. Both of the notes payable United States Department of Agriculture are secured by the real estate in Harlan and Clarinda.

The following is a schedule of future principal payments for the long term debt:

<u>Year Ending</u> <u>June 30,</u>	<u>Amount</u>
2007	34,856
2008	37,087
2009	39,465
2010	42,001
2011	38,370
2012 to 2016	213,577
2017 to 2021	149,812
2022 to 2026	72,578
2027 to 2031	75,433
2032 to 2036	93,258
2037 to 2041	115,295
2042 to 2043	<u>46,204</u>
Total	<u>\$ 957,936</u>

SUPPLEMENTAL INFORMATION

WEST CENTRAL DEVELOPMENT CORPORATION
Combining Statement of Financial Position
September 30, 2006

		Designated Funds	
	Total	CSBG	LIHEAP
<u>Assets</u>			
Current Assets			
Cash	\$ 409,411	\$ 6,061	\$ (16,038)
Short-Term Investments	714,976		
Receivables			
Grant Awards and Contracts	731,298		92,151
Other	6,514		
Prepaid Expenses	16,911		
Total Current Assets	<u>1,879,110</u>	<u>6,061</u>	<u>76,113</u>
Property and Equipment			
Land	57,985		
Building and Leasehold Improvements	2,218,191		
Vehicles and Equipment	1,402,870	76,085	138,327
	<u>3,679,046</u>	<u>76,085</u>	<u>138,327</u>
Accumulated Depreciation	1,251,319	75,725	127,742
Net Property and Equipment	<u>2,427,727</u>	<u>360</u>	<u>10,585</u>
Total Assets	<u>4,306,837</u>	<u>6,421</u>	<u>86,698</u>
<u>Liabilities and Net Assets</u>			
Liabilities and Net Assets			
Accounts Payable	432,729		76,113
Accrued Wages	111,062		
Payroll Taxes and Benefits Payable	117,704		
Accrued Vacation	277,747		
Note Payable Shelby County State Bank	151,127		
Note Payable Bank Iowa	238,340		
Note Payable USDA	568,469		
Deferred Revenue	31,104	6,061	
Total Liabilities	<u>1,928,282</u>	<u>6,061</u>	<u>76,113</u>
Net Assets			
Unrestricted			
Invested in Property and Equipment	1,469,791	360	10,585
Designated for Programs	52,018		
Undesignated	856,746		
Total Net Assets	<u>2,378,555</u>	<u>360</u>	<u>10,585</u>
Total Liabilities and Net Assets	<u>\$ 4,306,837</u>	<u>\$ 6,421</u>	<u>\$ 86,698</u>

Designated Funds

Head Start	Wrap-Around Child Care Grant	Head Start Parent Fund	Weatherization Assistance	Utility Weatherization Assistance	WIC
\$ (109,271)	\$ (18,452)	\$ 1,181	\$ (2,258)	\$ (5,533)	\$ (52,280)
143,012 33	19,966		2,408	5,533	63,718
<u>33,774</u>	<u>1,514</u>	<u>1,181</u>	<u>150</u>	<u>-</u>	<u>11,438</u>
805,409			89,471		29,433
805,409	-	-	89,471	-	29,433
621,443			50,817		28,051
183,966	-	-	38,654	-	1,382
<u>217,740</u>	<u>1,514</u>	<u>1,181</u>	<u>38,804</u>	<u>-</u>	<u>12,820</u>
33,774	1,514	70	150		11,438
<u>33,774</u>	<u>1,514</u>	<u>70</u>	<u>150</u>	<u>-</u>	<u>11,438</u>
183,966		1,111	38,654		1,382
<u>183,966</u>	<u>-</u>	<u>1,111</u>	<u>38,654</u>	<u>-</u>	<u>1,382</u>
<u>\$ 217,740</u>	<u>\$ 1,514</u>	<u>\$ 1,181</u>	<u>\$ 38,804</u>	<u>-</u>	<u>\$ 12,820</u> (Continued)

WEST CENTRAL DEVELOPMENT CORPORATION
Combining Statement of Financial Position (Continued)
September 30, 2006

	Designated Funds			
	CACFP (Homes)	CACFP (Centers)	Child Care Resource and Referral	Family Development
<u>Assets</u>				
Current Assets				
Cash	\$ (13,813)	\$ (1,450)	\$ (75,450)	\$ (81,071)
Short-Term Investments				
Receivables				
Grant Awards and Contracts	72,395	34,022	118,214	82,639
Other				
Prepaid Expenses				
Total Current Assets	<u>58,582</u>	<u>32,572</u>	<u>42,764</u>	<u>1,568</u>
Property and Equipment				
Land				
Building and Leasehold Improvements				
Vehicles and Equipment			78,933	18,964
	-	-	78,933	18,964
Accumulated Depreciation			59,068	17,580
Net Property and Equipment	-	-	19,865	1,384
Total Assets	<u>58,582</u>	<u>32,572</u>	<u>62,629</u>	<u>2,952</u>
<u>Liabilities and Net Assets</u>				
Liabilities and Net Assets				
Accounts Payable	58,582	32,572	42,764	1,568
Accrued Wages				
Payroll Taxes and Benefits Payable				
Accrued Vacation				
Note Payable Shelby County State Bank				
Note Payable Bank Iowa				
Note Payable USDA				
Deferred Revenue				
Total Liabilities	<u>58,582</u>	<u>32,572</u>	<u>42,764</u>	<u>1,568</u>
Net Assets				
Unrestricted				
Invested in Property and Equipment			19,865	1,384
Designated for Programs				
Undesignated				
Total Net Assets	-	-	19,865	1,384
Total Liabilities and Net Assets	<u>\$ 58,582</u>	<u>\$ 32,572</u>	<u>\$ 62,629</u>	<u>\$ 2,952</u>

Designated Funds

Senior Service America, Inc.	Project Helper	Embrace Iowa	Project Share	I CARE
\$ (272)	\$ 17,212		\$ 10,848	\$ 19,309
8,021	2,026			1,191
3,213			325	
<u>10,962</u>	<u>19,238</u>	<u>-</u>	<u>11,173</u>	<u>20,500</u>
5,255				
5,255	-	-	-	-
4,024				
<u>1,231</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>12,193</u>	<u>19,238</u>	<u>-</u>	<u>11,173</u>	<u>20,500</u>
10,962				4
<u>10,962</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4</u>
1,231				
	19,238		11,173	20,496
<u>1,231</u>	<u>19,238</u>	<u>-</u>	<u>11,173</u>	<u>20,496</u>
<u>\$ 12,193</u>	<u>\$ 19,238</u>	<u>-</u>	<u>\$ 11,173</u>	<u>\$ 20,500</u>

(Continued)

WEST CENTRAL DEVELOPMENT CORPORATION
Combining Statement of Financial Position (Continued)
September 30, 2006

	Designated Funds			
	H/M/S Empowerment	Pottawattamie Empowerment	C/M/M Empowerment	Corner Counties Empowerment
<u>Assets</u>				
Current Assets				
Cash	\$ (8,494)	\$ (42,944)	\$ (15,434)	\$ (5,557)
Short-Term Investments				
Receivables				
Grant Awards and Contracts	8,648	50,022	19,584	6,198
Other				
Prepaid Expenses				
Total Current Assets	<u>154</u>	<u>7,078</u>	<u>4,150</u>	<u>641</u>
Property and Equipment				
Land				
Building and Leasehold Improvements				
Vehicles and Equipment		8,021		
	-	8,021	-	-
Accumulated Depreciation		5,892		
Net Property and Equipment	-	2,129	-	-
Total Assets	<u>154</u>	<u>9,207</u>	<u>4,150</u>	<u>641</u>
<u>Liabilities and Net Assets</u>				
Liabilities and Net Assets				
Accounts Payable	154	7,078	4,150	641
Accrued Wages				
Payroll Taxes and Benefits Payable				
Accrued Vacation				
Note Payable Shelby County State Bank				
Note Payable Bank Iowa				
Note Payable USDA				
Deferred Revenue				
Total Liabilities	<u>154</u>	<u>7,078</u>	<u>4,150</u>	<u>641</u>
Net Assets				
Unrestricted				
Invested in Property and Equipment		2,129		
Designated for Programs				
Undesignated				
Total Net Assets	-	2,129	-	-
Total Liabilities and Net Assets	<u>\$ 154</u>	<u>\$ 9,207</u>	<u>\$ 4,150</u>	<u>\$ 641</u>

<u>Pottawattamie County Quality Rating</u>	<u>HMS Quality Improvement</u>	<u>Community Food Assistance Program</u>	<u>Shelby County Early Childhood Center</u>	<u>Clarinda Early Childhood Center</u>	<u>Emergency Food and Shelter Program</u>
\$ 19,346		\$ 4	\$ (5,635) 30,361	\$ 5,538	\$ 6,044
	\$ 1,550			294	
<u>19,346</u>	<u>1,550</u>	<u>4</u>	<u>24,726</u>	<u>5,832</u>	<u>6,044</u>
			15,000	12,000	
			1,210,596	721,207	
			44,965	31,786	
-	-	-	1,270,561	764,993	-
			71,610	33,652	
-	-	-	1,198,951	731,341	-
<u>19,346</u>	<u>1,550</u>	<u>4</u>	<u>1,223,677</u>	<u>737,173</u>	<u>6,044</u>
338	1,550	4	2,197	2,865	9
				238,340	
19,008			568,469		6,035
<u>19,346</u>	<u>1,550</u>	<u>4</u>	<u>570,666</u>	<u>241,205</u>	<u>6,044</u>
			630,482	493,001	
			22,529	2,967	
-	-	-	653,011	495,968	-
<u>\$ 19,346</u>	<u>\$ 1,550</u>	<u>\$ 4</u>	<u>\$ 1,223,677</u>	<u>\$ 737,173</u>	<u>\$ 6,044</u>
(Continued)					

WEST CENTRAL DEVELOPMENT CORPORATION
Combining Statement of Financial Position (Continued)
September 30, 2006

	Designated Funds			
	Direct Cost Allocation Pools	Indirect Cost Allocation Pools	Property and Equipment	Undesignated
<u>Assets</u>				
Current Assets				
Cash	\$ (20,111)	\$ 27,367		\$ 770,564
Short-Term Investments		16,783		667,832
Receivables				
Grant Awards and Contracts				
Other	380	3		2,266
Prepaid Expenses				16,911
Total Current Assets	<u>(19,731)</u>	<u>44,153</u>	<u>-</u>	<u>1,457,573</u>
Property and Equipment				
Land			\$ 30,985	
Building and Leasehold Improvements			286,388	
Vehicles and Equipment			76,221	
	-	-	393,594	
Accumulated Depreciation			155,715	
Net Property and Equipment	<u>-</u>	<u>-</u>	<u>237,879</u>	
Total Assets	<u>(19,731)</u>	<u>44,153</u>	<u>237,879</u>	<u>1,457,573</u>
<u>Liabilities and Net Assets</u>				
Liabilities and Net Assets				
Accounts Payable	4,862	21,376		117,994
Accrued Wages				111,062
Payroll Taxes and Benefits Payable				117,704
Accrued Vacation				277,747
Note Payable Shelby County State Bank			151,127	
Note Payable Bank Iowa				
Note Payable USDA				
Deferred Revenue				
Total Liabilities	<u>4,862</u>	<u>21,376</u>	<u>151,127</u>	<u>624,507</u>
Net Assets				
Unrestricted				
Invested in Property and Equipment			86,752	
Designated for Programs				
Undesignated	(24,593)	22,777		833,066
Total Net Assets	<u>(24,593)</u>	<u>22,777</u>	<u>86,752</u>	<u>833,066</u>
Total Liabilities and Net Assets	\$ (19,731)	\$ 44,153	\$ 237,879	\$ 1,457,573

WEST CENTRAL DEVELOPMENT CORPORATION

WEST CENTRAL DEVELOPMENT CORPORATION
Combining Statement of Activities
For the Year Ended September 30, 2006

	Total	Elimination of Internal Agency Amounts	Designated Funds	
			CSBG 05-17CP	CSBG 06-17CP
Support and Revenue				
Federal Grants and Contract Revenue	\$ 12,115,223		\$ 177,272	\$ 384,688
State and Local Grants and Contract Revenue	646,221			
Co-Funding Transfers	-		\$ (177,272)	(333,688)
County Support	29,875			
Program Income and Donations	9,280			
Interest Income	29,038			
Other Revenue	485,182			
Gain on Sale of Fixed Assets	37,000			
In Kind Contributions	31,663			
Internal Cost Allocations	-	(902,660)		
Total Support and Revenue	<u>13,383,482</u>	<u>(902,660)</u>	<u>-</u>	<u>51,000</u>
Expenses				
Personnel	4,263,950			
Fringe Benefits and Payroll Taxes	1,366,369			
Contract Labor	537,875	(201,539)		
Supplies	233,189	(2,108)		
Rent	306,746	(121,252)		
Equipment and Buildings	127,352	(18,584)		
Travel	144,090			
Telephone	90,683	(815)		
Utilities	74,956	(5,985)		
Assistance to Individuals	5,393,817			
Other Direct Expenses	717,008	(2,367)		51,000
In Kind Professional Services	50,345			
Depreciation	153,065			
Indirect	-	(550,010)		
Total Expenses	<u>13,459,445</u>	<u>\$ (902,660)</u>	<u>-</u>	<u>\$ 51,000</u>
Excess (Deficiency) of Support and Revenue Over Expenses Before Capital Additions	(75,963)	-	-	-
Capital Activity				
Capital Additions - Purchase of Capital Equipment and Buildings	77,623			
Borrowings for Equipment	-			
Net Capital Activity	<u>77,623</u>			<u>-</u>
Excess (Deficiency) of Support and Revenue Over Capital Activity	1,660	-	-	-
Transfers				
Activity Transferred to new fund year				
Capital Activity Transferred to Property and Equipment Fund	-			
Principal and Interest Payments	-			
Net Assets - Beginning of Year	<u>2,376,895</u>			
Net Assets - End of Year	<u>\$ 2,378,555</u>	<u>-</u>	<u>-</u>	<u>-</u>

Designated Funds

LIHEAP 06-17P	Head Start		Wrap Around Child Care Grant		Head Start Parent Fund	
	07CH-6020 39	07CH-6020 40	05-06	06-07	05-06	06-07
\$ 3,942,781	\$ 1,262,669	\$ 2,058,683	\$ 416,763	\$ 19,966		
	14,057				\$ 2,012	\$ 3,200
4,702	19,157	3,485				
	15,391	16,272				
<u>3,947,483</u>	<u>1,311,274</u>	<u>2,078,440</u>	<u>416,763</u>	<u>19,966</u>	<u>2,012</u>	<u>3,200</u>
137,937	756,459	1,104,378	279,075	12,767		
57,155	228,867	436,706	77,008	3,218		
	4,946	5,874				
17,158	30,334	28,762	2,984	2,049		
33,971	58,586	98,566	9,630			
5,741	2,040	7,845				
4,861	11,619	27,354	476			
2,161	9,536	21,089	686			
	10,879	21,221				
3,662,351	3,540	3,209				
5,468	74,632	143,809	9,158	237	734	4,061
	15,391	16,272				
20,680	104,445	163,355	37,746	1,695		
<u>\$ 3,947,483</u>	<u>\$ 1,311,274</u>	<u>2,078,440</u>	<u>\$ 416,763</u>	<u>\$ 19,966</u>	<u>734</u>	<u>4,061</u>
-	-	-	-	-	1,278	(861)
		3,869				
<u>-</u>	<u>-</u>	<u>3,869</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	3,869	-	-	1,278	(861)
					(1,972)	1,972
		\$ (3,869)				
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>\$ 694</u>	<u>\$ 1,111</u>
						(Continued)

WEST CENTRAL DEVELOPMENT CORPORATION
Combining Statement of Activities (Continued)
For the Year Ended September 30, 2006

	Designated Funds			
	Weatherization Assistance Programs			
	DOE-05-17P	DOE-06-17P	HEAP-05-17P	HEAP-06-17P
Support and Revenue				
Federal Grants and Contract Revenue	\$ 8,522	\$ 235,497	\$ 331,923	\$ 40,817
State and Local Grants and Contract Revenue				
Co-Funding Transfers				
County Support				
Program Income and Donations				
Interest Income				
Other Revenue				
Gain of Sale of Fixed Assets				
In Kind Contributions				
Internal Cost Allocations				
Total Support and Revenue	<u>8,522</u>	<u>235,497</u>	<u>331,923</u>	<u>40,817</u>
Expenses				
Personnel			95	60
Fringe Benefits and Payroll Taxes			22	17
Contract Labor	8,522	235,497	293,807	39,832
Supplies				
Rent				
Equipment and Buildings			27,529	
Travel				
Telephone				
Utilities				
Assistance to Individuals				
Other Direct Expenses			10,458	900
In Kind Professional Services				
Depreciation				
Indirect			12	8
Total Expenses	<u>\$ 8,522</u>	<u>\$ 235,497</u>	<u>331,923</u>	<u>\$ 40,817</u>
Excess (Deficiency) of Support and Revenue Over Expenses Before Capital Additions		-	-	-
Capital Activity				
Capital Additions - Purchase of Capital Equipment and Buildings			27,529	
Borrowings for Equipment				
Net Capital Activity	<u>-</u>	<u>-</u>	<u>27,529</u>	<u>-</u>
Excess (Deficiency) of Support and Revenue Over Capital Activity	-	-	27,529	-
Transfers				
Capital Activity Transferred to Property and Equipment Fund			\$ (27,529)	
Principal and Interest Payments				
Net Assets - Begining of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Assets - End of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

Designated Funds

Utility Weatherization Assistance Programs					WIC	CACFP (Homes)
IPL-05-17P	IPL-06-17P	MEC-06-17P	AQU-05-17P	AQU-06-17P	5886 A 048	83-8011
\$ 15,086	\$ 59,250	\$ 119,597		\$ 100,329	\$ 416,701	\$ 912,961
					2,525	20,153
					4,895	
15,086	59,250	119,597	-	100,329	424,121	933,114
					239,551	104,092
					75,368	37,070
					27,466	7,188
					16,816	5,565
					525	21
					4,425	4,413
					3,087	788
						19
15,086	59,250	119,597		100,329	23,502	757,905
						1,090
\$ 15,086	\$ 59,250	\$ 119,597	\$ -	\$ 100,329	33,381	14,963
					\$ 424,121	\$ 933,114
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-

(Continued)

WEST CENTRAL DEVELOPMENT CORPORATION
Combining Statement of Activities (Continued)
For the Year Ended September 30, 2006

	Designated Funds			
	CACFP (Centers) 83-8010	Child Care Resource and Referral ACFS-02-042	ACFS-02-042	Family Development FADSS 06-17FP
Support and Revenue				
Federal Grants and Contract Revenue	\$ 278,481	\$ 493,096	\$ 115,527	\$ 140,123
State and Local Grants and Contract Revenue				124,260
Co-Funding Transfers				41,001
County Support				
Program Income and Donations				
Interest Income				
Other Revenue	37,489	178,542	63,728	250
Gain of Sale of Fixed Assets				
In Kind Contributions				
Internal Cost Allocations				
Total Support and Revenue	<u>315,970</u>	<u>671,638</u>	<u>179,255</u>	<u>305,634</u>
Expenses				
Personnel	12,220	191,131	70,332	164,750
Fringe Benefits and Payroll Taxes	5,629	57,727	20,693	57,210
Contract Labor		101,188	22,491	
Supplies		62,587	9,805	2,825
Rent	4,470	15,212	5,053	15,195
Equipment and Buildings		9,533	344	187
Travel		31,261	9,838	14,468
Telephone		8,920	3,559	2,202
Utilities		1,569	457	
Assistance to Individuals	291,726			
Other Direct Expenses	33	166,131	27,035	6,587
In Kind Professional Services				18,682
Depreciation				
Indirect	1,892	26,379	9,648	23,528
Total Expenses	<u>\$ 315,970</u>	<u>\$ 671,638</u>	<u>\$ 179,255</u>	<u>\$ 305,634</u>
Excess (Deficiency) of Support and Revenue Over Expenses Before Capital Additions	-	-	-	-
Capital Activity				
Capital Additions - Purchase of Capital Equipment and Buildings				
Borrowings for Equipment				
Net Capital Activity	-	-	-	-
Excess (Deficiency) of Support and Revenue Over Capital Activity	-	-	-	-
Transfers				
Capital Activity Transferred to Property and Equipment Fund				
Principal and Interest Payments				
Net Assets - Beginning of Year				
Net Assets - End of Year	-	-	-	-

Designated Funds

Family Development FADSS 07-17FP	Senior Service America, Inc.		Project Helper	Embrace Iowa	Project Share	I Care
	SAP 05-06	SAP 06-07	05-06	05-06	05-06	05-06
\$ 43,799	\$ 289,383	\$ 84,992				
38,840			\$ 41,857	\$ 10,667		\$ 115,593
2,451	52,667	13,680				
					\$ 3,440	
					20,013	3,625
<u>85,090</u>	<u>342,050</u>	<u>98,672</u>	<u>41,857</u>	<u>10,667</u>	<u>23,453</u>	<u>119,218</u>
48,545	263,709	75,849				6
17,407	34,618	9,666				2
727	358	74				229
4,600	5,138	1,625				
4,999	3,442	808				
773	612	139				33
			23,716	10,667	2,767	103,782
1,048	2,550	1,447			20,000	
6,991	31,623	9,064				1
<u>\$ 85,090</u>	<u>\$ 342,050</u>	<u>\$ 98,672</u>	<u>23,716</u>	<u>\$ 10,667</u>	<u>22,767</u>	<u>104,053</u>
-	-	-	18,141	-	686	15,165
-	-	-	-	-	-	-
-	-	-	18,141	-	686	15,165
-	-	-	1,097	-	10,487	5,331
<u>-</u>	<u>-</u>	<u>-</u>	<u>\$ 19,238</u>	<u>-</u>	<u>\$ 11,173</u>	<u>\$ 20,496</u>

(Continued)

WEST CENTRAL DEVELOPMENT CORPORATION
Combining Statement of Activities (Continued)
For the Year Ended September 30, 2006

	H/M/S Empowerment		Pottawattamie Empowerment	
	05-06	05-06	05-06	06-07
Support and Revenue				
Federal Grants and Contract Revenue	\$ 40,035	\$ 8,648	\$ 178,616	\$ 50,022
State and Local Grants and Contract Revenue				
Co-Funding Transfers				
County Support				
Program Income and Donations				
Interest Income				
Other Revenue				
Gain of Sale of Fixed Assets				
In Kind Contributions				
Internal Cost Allocations				
Total Support and Revenue	<u>40,035</u>	<u>8,648</u>	<u>178,616</u>	<u>50,022</u>
Expenses				
Personnel	7,938	1,162	52,013	18,212
Fringe Benefits and Payroll Taxes	2,882	5,848	22,005	7,370
Contract Labor				
Supplies	44	17	1,236	390
Rent	1,416	593	6,247	1,640
Equipment and Buildings			126	
Travel	1,239	151	4,465	1,529
Telephone	415	120	613	250
Utilities				
Assistance to Individuals	24,564		81,911	17,051
Other Direct Expenses	390	14	2,154	868
In Kind Professional Services				
Depreciation				
Indirect	1,147	743	7,846	2,712
Total Expenses	<u>\$ 40,035</u>	<u>\$ 8,648</u>	<u>\$ 178,616</u>	<u>\$ 50,022</u>
Excess (Deficiency) of Support and Revenue Over Expenses Before Capital Additions	-	-	-	-
Capital Activity				
Capital Additions - Purchase of Capital Equipment and Buildings				
Borrowings for Equipment				
Net Capital Activity	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Support and Revenue Over Capital Activity and Other Revenue	-	-	-	-
Transfers				
Capital Activity Transferred to Property and Equipment Fund				
Principal and Interest Payments				
Net Assets - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Assets - End of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

Designated Funds					
C/M/M Empowerment		Corner Counties Empowerment		Shelby County Early Childhood Center	Clarinda Early Childhood Center
05-06	06-07	05-06	06-07		
\$ 82,032	\$ 20,920	\$ 27,330	\$ 6,757		
				\$ 56,892	\$ 44,524
<u>82,032</u>	<u>20,920</u>	<u>27,330</u>	<u>6,757</u>	<u>56,892</u>	<u>44,524</u>
19,033	6,646	7,245	2,876	369	
4,155	1,508	1,349	688	77	
190	122	426	26	1,951	2,553
1,350	497	1,342	786		
				4,115	2,065
3,473	867	925	608		
671	351	103	204		
				8,777	9,673
48,137	9,874	10,824	800		
2,565	191	4,205	391	4,795	3,979
2,458	864	911	378	47	
<u>\$ 82,032</u>	<u>\$ 20,920</u>	<u>\$ 27,330</u>	<u>\$ 6,757</u>	<u>20,131</u>	<u>18,270</u>
-	-	-	-	36,761	26,254
				3,450	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,450</u>	<u>-</u>
-	-	-	-	40,211	26,254
				(3,450)	-
				(32,450)	(29,387)
				18,218	6,100
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>\$ 22,529</u>	<u>\$ 2,967</u>
					(Continued)

WEST CENTRAL DEVELOPMENT CORPORATION
Combining Statement of Activities (Continued)
For the Year Ended September 30, 2006

	Designated Funds			
	Community Food Assistance Program	Pottawattamie County Quality Rating	Emergency Food and Shelter Program	
	05-06	2006	2005	2006
Support and Revenue				
Federal Grants and Contract Revenue			\$ 4,960	\$ 41,259
State and Local Grants and Contract Revenue		\$ 19,192		
Co-Funding Transfers	\$ 20,042		2,838	
County Support				
Program Income and Donations				
Interest Income			23	
Other Revenue				
Gain of Sale of Fixed Assets				
In Kind Contributions				
Internal Cost Allocations				
Total Support and Revenue	<u>20,042</u>	<u>19,192</u>	<u>7,821</u>	<u>41,259</u>
Expenses				
Personnel	11,894	8,434	498	627
Fringe Benefits and Payroll Taxes	3,496	2,993	189	142
Contract Labor				
Supplies	30	459		
Rent	2,989	1,539		
Equipment and Buildings		3,054		
Travel		261		
Telephone	2	101	4	29
Utilities				
Assistance to Individuals			7,015	39,716
Other Direct Expenses		1,140	42	664
In Kind Professional Services				
Depreciation				
Indirect	1,631	1,211	73	81
Total Expenses	<u>\$ 20,042</u>	<u>\$ 19,192</u>	<u>\$ 7,821</u>	<u>\$ 41,259</u>
Excess (Deficiency) of Support and Revenue Over Expenses Before Capital Additions	-	-	-	-
Capital Activity				
Capital Additions - Purchase of Capital Equipment and Buildings				
Borrowings for Equipment				
Net Capital Activity	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Support and Revenue Over Capital Activity	-	-	-	-
Transfers				
Capital Activity Transferred to Property and Equipment Fund				
Principal and Interest Payments				
Net Assets - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Assets - End of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

Designated Funds					
HMS Quality Improvement 2006	Direct Cost Allocation Pools	Indirect Cost Allocation Pools	Property and Equipment Fiduciary Type		Undesignated
				Local	
\$ 1,550	\$ 344,071				\$ 27,350
	300	\$ 557			328
					28,458
					47,880
					37,000
	346,433	550,010			6,217
1,550	690,804	550,567	-	-	147,233
	324,897	341,150			
	94,885	100,399			
	27,257				
	9,781	25,526			
	116,553	18,619			
	36,936	3,100			42,775
	3,350	9,258			
	30,857	4,193			
	28,346				
1,550	27,065	48,158	\$ 41,976	\$ 8,833	20,515
			129,206	23,859	
	44,497				
\$ 1,550	744,424	550,403	171,182	32,692	63,290
-	(53,620)	164	(171,182)	(32,692)	83,943
				-	42,775
				(39,749)	39,749
-	-	-	-	(39,749)	82,524
-	(53,620)	164	(171,182)	(72,441)	166,467
			34,848	42,775	(42,775)
			61,837	20,664	(20,664)
	29,027	22,613	1,457,536	95,754	730,038
-	\$ (24,593)	\$ 22,777	\$ 1,383,039	\$ 86,752	\$ 833,066

West Central Development Corporation
Schedule of Expenditures of Federal Awards
For the Year Ended September 30, 2006

Federal Grantor / Pass-Through Grantor / Program Title	CFDA #	Grant Period	Federal Expenses
Direct Federal Awards			
U.S. Department of Health and Human Services			
Direct Program			
Head Start	93.600	2/1/05 - 1/31/06	\$ 1,262,669
Head Start	93.600	2/1/06 - 1/31/07	2,058,683
Indirect Federal Awards			
Passed Through Iowa Department of Human Services			
Wrap Around Grant	93.575	9/1/05 - 8/31/06	416,763
Wrap Around Grant	93.575	9/1/06 - 8/31/07	19,966
Passed Through Iowa Department of Human Rights			
Community Service Block Grant	93.569	10/1/04 - 3/31/06	177,272
Community Service Block Grant	93.569	10/1/05 - 3/31/07	384,688
Low Income Home Energy Assistance Program	93.568	10/1/05 - 9/30/06	3,942,781
Low Income Home Energy Assistance Program	93.568	4/1/05 - 4/30/06	331,923
Low Income Home Energy Assistance Program	93.568	4/1/06 - 4/30/07	40,817
U.S. Department of Agriculture			
Passed Through Iowa Department of Public Health			
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	10/1/05 - 9/30/06	415,652
Farmers Market	10.557	10/1/05 - 9/30/06	1,049
Passed Through Iowa Department of Education			
Child/Adult Care Food Program (Homes)	10.558	10/1/05 - 9/30/06	912,961
Child/Adult Care Food Program (Centers)	10.558	10/1/05 - 9/30/06	278,481
U.S. Department of Labor			
Senior Service America, Inc.			
Senior Community Service Employment Program	17.235	7/1/05 - 6/30/06	289,383
Senior Community Service Employment Program	17.235	7/1/06 - 9/30/06	84,992
U.S. Department of Energy and Energy Conservation Trust Fund			
Passed Through Iowa Department of Human Rights			
Weatherization Assistance for Low-Income Persons	81.042	4/1/04 - 3/31/05	8,522
Weatherization Assistance for Low-Income Persons	81.042	4/1/05 - 3/31/06	235,497
U.S. Department of Health and Human Services			
Passed Through Iowa Department of Human Services			
Child Care Resource and Referral Grant	93.575	7/1/05 - 6/30/06	493,096
Child Care Resource and Referral Grant	93.575	7/1/06 - 9/30/06	115,527
Passed Through Iowa Department of Human Rights			
Family Development and Self-Sufficiency Program	93.561	7/1/05 - 6/30/06	140,123
Family Development and Self-Sufficiency Program	93.561	7/1/06 - 9/30/06	43,799
Passed Through Cass/Mills/Montgomery Empowerment Area			
Temporary Assistance for Needy Families	93.575	7/1/05 - 6/30/06	82,032
Temporary Assistance for Needy Families	93.575	7/1/06 - 9/30/06	20,920
Passed Through Pottawattamie Empowerment Area			
Temporary Assistance for Needy Families	93.575	7/1/05 - 6/30/06	178,616
Temporary Assistance for Needy Families	93.575	7/1/06 - 9/30/06	50,022
Passed Through Harrison/Monona/Shelby Empowerment Area			
Temporary Assistance for Needy Families	93.575	7/1/05 - 6/30/06	40,035
Temporary Assistance for Needy Families	93.575	7/1/06 - 9/30/06	8,648
Passed Through Corner Counties Empowerment Area			
Temporary Assistance for Needy Families	93.575	7/1/05 - 6/30/06	27,330
Temporary Assistance for Needy Families	93.575	7/1/06 - 9/30/06	6,757
Federal Emergency Management Agency			
Emergency Food and Shelter National Board Program	83.523	1/1/05 - 12/31/05	4,960
Emergency Food and Shelter National Board Program	83.523	1/1/06 - 12/31/06	41,259
Total Expenditures of Federal Awards			<u>\$ 12,115,223</u>

Note 1. Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of West Central Development Corporation and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the Basic Financial Statements.

NON-GAAP SUPPLEMENTAL INFORMATION

WEST CENTRAL DEVELOPMENT CORPORATION
Iowa Department of Human Rights

Community Service Block Grant No. 05-17CP

Schedule of Grant/Contract Activity

For the Period From October 1, 2004 to September 30, 2005 (Extended to March 31, 2006)

	<u>Budget</u>	<u>Actual</u>
Co-Funded Programs		
Child and Adult Care Food Program	\$ 10,000	\$ 22,028
Family Development and Self-Sufficiency	15,159	23,786
Emergency Food and Shelter Program	1,000	2,838
Head Start	67,794	58,776
Outreach	324,409	325,532
Senior Aides	49,488	47,571
Women, Infants, and Children	20,217	1,469
Food Assistance O/R Program	54,000	54,000
Community Food Assistance Program		6,067
	<u> </u>	<u> </u>
Total Expenditures	<u>\$ 542,067</u>	<u>\$ 542,067</u>

WEST CENTRAL DEVELOPMENT CORPORATION
Iowa Department of Human Rights

Low Income Home Energy Assistance Program
Contract LIHEAP-06-17-P

Schedule of Grant/Contract Activity
For the Period From October 1, 2005 to September 30, 2006

Cost Category	<u>Budget</u>	<u>Actual</u>
Expenses:		
Regular Assistance	\$ 3,329,036	\$ 3,268,779
Furnace Repair	100,337	100,337
Emerg Del/Recon	38,512	38,512
Client Services	61,363	61,363
Summer Fuel Delivery	247,540	247,540
Emergency Cooling Assistance Program	9,863	9,863
Administration	<u>216,386</u>	<u>216,386</u>
Total Expenses	<u>\$ 4,003,037</u>	<u>\$ 3,942,780</u>

WEST CENTRAL DEVELOPMENT CORPORATION
Iowa Department of Human Rights

Head Start Grant No. 07CH 6020/39
Schedule of Grant/Contract Activity
For the Period From February 1, 2005 to January 31, 2006

	Budget	Actual
Revenues		
Grant Revenue	\$ 3,421,871	\$ 3,421,871
Other Revenue	-	21,334
CSBG Support Revenue	20,820	14,057
Grantee's Contribution - In Kind	855,468	855,468
Total Revenue	4,298,159	4,312,730
Expenses		
Grantor's Share		
Personnel	1,667,446	1,711,598
Fringe Benefits	859,612	832,566
Travel - Out of Area	3,418	1,797
Insurance	34,909	24,339
Equipment	110,117	112,026
Vehicle Costs	8,400	11,398
Building Maintenance	24,505	25,271
Pupil Transportation	101,000	109,650
Rent	153,308	160,084
Supplies	48,533	64,206
Consultants	11,900	7,976
Utilities and Telephone	77,100	64,560
Other	73,021	58,992
Indirect	269,422	272,799
Total Grantor's Share	3,442,691	3,457,262
Grantee's Share		
In Kind Donations		
Professional Volunteers	32,840	38,158
Non-Professional Volunteers	594,232	458,859
Mileage	122,712	172,131
Materials	102,624	49,870
Donated Space	3,060	2,460
Non Federal Cash Match	-	133,990
Total Grantee's Share	855,468	855,468
Total Expenses	4,298,159	4,312,730
Less In Kind	855,468	855,468
Other Revenue	-	21,334
CSBG Support Revenue	20,820	14,057
Net Grantor's Share	\$ 3,421,871	\$ 3,421,871

Summary by Functional Category

	Budget	Percentage of Actual	Actual
Administration	\$ 369,094	9.11%	\$ 389,585
P.A. 20	38,578	0.48%	20,732
P.A. 22-26	3,014,199	70.41%	3,011,554
CSBG	20,820	0.33%	14,057
Other Revenue	-	0.50%	21,334
In Kind	855,468	20.00%	855,468
Total Expenses	4,298,159	100.83%	4,312,730
Less: Other Revenue	-	0.50%	21,334
CSBG Co Funding	20,820	0.33%	14,057
Net before In Kind	4,277,339	100.00%	4,277,339
Less In Kind	855,468		855,468
Net Grantor's Expense	\$ 3,421,871		\$ 3,421,871

WEST CENTRAL DEVELOPMENT CORPORATION
Iowa Department of Human Services

Wrap Around Child Care Grant
Denison I Grant #BDPS-CC-06099
Schedule of Grant/Contract Activity
For the Period From September 1, 2005 to August 31, 2006

	<u>Budget</u>	<u>Actual</u>
Expenses		
Wages and Benefits	\$ 37,940	\$ 40,500
Supplies	750	472
Facility Costs	2,292	-
Transportation	300	-
Telephone	120	-
Contracted Providers	2,500	2,734
Indirect	4,098	4,294
	<u> </u>	<u> </u>
Total Expenses	<u>\$ 48,000</u>	<u>\$ 48,000</u>

Wrap Around Child Care Grant
Denison II Grant #BDPS-CC-06096
Schedule of Grant/Contract Activity
For the Period From September 1, 2005 to August 31, 2006

	<u>Budget</u>	<u>Actual</u>
Expenses		
Wages and Benefits	\$ 38,694	\$ 37,351
Supplies	750	388
Facility Costs	1,707	3,200
Transportation	300	-
Telephone	120	242
Contracted Providers	2,250	2,856
Indirect	4,179	3,963
	<u> </u>	<u> </u>
Total Expenses	<u>\$ 48,000</u>	<u>\$ 48,000</u>

WEST CENTRAL DEVELOPMENT CORPORATION
Iowa Department of Human Services

Wrap Around Child Care Grant
Onawa Grant #BDPS-CC-06108
Schedule of Grant/Contract Activity
For the Period From September 1, 2005 to August 31, 2006

	<u>Budget</u>	<u>Actual</u>
Expenses		
Wages and Benefits	\$ 40,661	\$ 42,195
Supplies	100	88
Transportation	150	31
Contracted Providers	2,698	1,209
Indirect	<u>4,391</u>	<u>4,477</u>
Total Expenses	<u>\$ 48,000</u>	<u>\$ 48,000</u>

Wrap Around Child Care Grant
Atlantic Grant #BDPS-CC-06098
Schedule of Grant/Contract Activity
For the Period From September 1, 2005 to August 31, 2006

	<u>Budget</u>	<u>Actual</u>
Expenses		
Wages and Benefits	\$ 42,689	\$ 42,827
Supplies	551	498
Transportation	150	130
Indirect	<u>4,610</u>	<u>4,545</u>
Total Expenses	<u>\$ 48,000</u>	<u>\$ 48,000</u>

WEST CENTRAL DEVELOPMENT CORPORATION
Iowa Department of Human Services

Wrap Around Child Care Grant
Glenwood Grant #BDPS-CC-06095
Schedule of Grant/Contract Activity
For the Period From September 1, 2005 to August 31, 2006

	<u>Budget</u>	<u>Actual</u>
Expenses		
Wages and Benefits	\$ 41,392	\$ 42,460
Supplies	900	861
Facility Costs	1,088	-
Transportation	150	175
Indirect	4,470	4,504
	<u> </u>	<u> </u>
Total Expenses	<u>\$ 48,000</u>	<u>\$ 48,000</u>

Wrap Around Child Care Grant
Harlan Grant #BDPS-CC-06094
Schedule of Grant/Contract Activity
For the Period From September 1, 2005 to August 31, 2006

	<u>Budget</u>	<u>Actual</u>
Expenses		
Wages and Benefits	\$ 40,856	\$ 39,113
Supplies	300	268
Facility Costs	-	4,200
Transportation	150	-
Telephone	-	270
Contracted Providers	2,282	-
Indirect	4,412	4,149
	<u> </u>	<u> </u>
Total Expenses	<u>\$ 48,000</u>	<u>\$ 48,000</u>

WEST CENTRAL DEVELOPMENT CORPORATION
Iowa Department of Human Services

Wrap Around Child Care Grant
Red Oak Grant #BDPS-CC-06093
Schedule of Grant/Contract Activity
For the Period From September 1, 2005 to August 31, 2006

	<u>Budget</u>	<u>Actual</u>
Expenses		
Wages and Benefits	\$ 40,561	\$ 38,248
Supplies	805	768
Facility Costs	-	2,230
Transportation	150	140
Telephone	-	174
Contracted Providers	2,103	2,384
Indirect	4,381	4,056
	<u>\$ 48,000</u>	<u>\$ 48,000</u>
Total Expenses		

Wrap Around Child Care Grant
Council Bluffs I Grant #BDPS-CC-06097
Schedule of Grant/Contract Activity
For the Period From September 1, 2005 to August 31, 2006

	<u>Budget</u>	<u>Actual</u>
Expenses		
Wages and Benefits	\$ 42,870	\$ 42,937
Supplies	500	509
Indirect	4,630	4,554
	<u>\$ 48,000</u>	<u>\$ 48,000</u>
Total Expenses		

WEST CENTRAL DEVELOPMENT CORPORATION
Iowa Department of Human Services

Wrap Around Child Care Grant
Council Bluffs II Grant #BDPS-CC-06100

Schedule of Grant/Contract Activity
For the Period From September 1, 2005 to August 31, 2006

	<u>Budget</u>	<u>Actual</u>
Expenses		
Wages and Benefits	\$ 38,739	\$ 42,727
Supplies	1,575	743
Facility Costs	2,962	-
Transportation	300	-
Telephone	240	-
Indirect	<u>4,184</u>	<u>4,530</u>
Total Expenses	<u>\$ 48,000</u>	<u>\$ 48,000</u>

WEST CENTRAL DEVELOPMENT CORPORATION
Iowa Department of Human Rights

Weatherization Assistance Programs

Contract DOE-05-17P

Schedule of Grant/Contract Activity

For the Period From April 1, 2005 to March 31, 2006

	<u>Budget</u>	<u>Actual</u>
Expenses		
Administration	\$ 22,659	\$ 22,659
Health and Safety	52,668	53,508
Support	68,274	78,372
Labor	71,200	73,766
Materials	71,200	57,696
	<u> </u>	<u> </u>
Total Expenses	<u>\$ 286,001</u>	<u>\$ 286,001</u>

Weatherization Assistance Programs

Contract HEAP-05-17P

Schedule of Grant/Contract Activity

For the Period From April 1, 2005 to March 31, 2006

	<u>Budget</u>	<u>Actual</u>
Expenses		
Administration	\$ 20,132	\$ 18,047
Health and Safety	76,605	157,455
Support	97,765	58,762
Labor	104,327	82,791
Materials	104,327	74,872
Equipment	32,403	27,529
Support Assistance	300	218
Pollution Insurance	8,758	8,758
WAMS Tech Assistance	4,700	2,640
	<u> </u>	<u> </u>
Total Expenses	<u>\$ 449,317</u>	<u>\$ 431,072</u>

WEST CENTRAL DEVELOPMENT CORPORATION
Iowa Department of Human Rights

Utility Weatherization Assistance Programs
Contract IPL-05-17P

Schedule of Grant/Contract Activity
For the Period From January 1, 2005 to December 31, 2005

	<u>Budget</u>	<u>Actual</u>
Expenses		
Administration	\$ 3,752	\$ 3,752
Support	7,505	7,503
Labor	31,897	32,582
Materials	<u>31,897</u>	<u>31,214</u>
Total Expenses	<u>\$ 75,051</u>	<u>\$ 75,051</u>

Utility Weatherization Assistance Programs
Contract MEC-05-17P

Schedule of Grant/Contract Activity
For the Period From January 1, 2005 to December 31, 2005

	<u>Budget</u>	<u>Actual</u>
Expenses		
Administration	\$ 5,980	\$ 5,980
Support	11,959	11,955
Labor	50,828	47,713
Materials	<u>50,828</u>	<u>53,947</u>
Total Expenses	<u>\$ 119,595</u>	<u>\$ 119,595</u>

Utility Weatherization Assistance Programs
Contract AQU-05-17P

Schedule of Grant/Contract Activity
For the Period From January 1, 2005 to December 31, 2005

	<u>Budget</u>	<u>Actual</u>
Expenses		
Administration	\$ 4,909	\$ 4,909
Support	9,817	9,813
Labor	41,722	40,851
Materials	<u>41,722</u>	<u>42,597</u>
Total Expenses	<u>\$ 98,170</u>	<u>\$ 98,170</u>

WEST CENTRAL DEVELOPMENT CORPORATION
Iowa Department of Public Health

Special Supplemental Food Program for Women, Infants, and Children
Contract 5886 A 048

Schedule of Grant/Contract Activity
For the Period From October 1, 2005 to September 30, 2006

	<u>Budget</u>	<u>Actual</u>
Expenses		
Grantor's Share		
Salaries/Benefits	\$ 333,078	\$ 313,952
Contracted Services	2,522	4,081
Other	73,287	64,319
Indirect	35,306	33,299
Total Grantor's Share	<u>444,193</u>	<u>415,651</u>
Local Share		
Salaries/Benefits	1,129	967
Other	1,900	2,725
Indirect	96	82
Total Local Share	<u>3,125</u>	<u>3,774</u>
Total Expenses	<u>\$ 447,318</u>	<u>\$ 419,425</u>

Breast Pump Expenditures

Schedule of Activity
For the Period From October 1, 2005 to September 30, 2006

Expenditures	<u>\$ 3,000</u>	<u>\$ 4,695</u>
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WEST CENTRAL DEVELOPMENT CORPORATION
Iowa Department of Education

Child and Adult Care Food Programs
Schedule of Expenses Compared to Budget
Day Care Homes - Contract No. 83-8011
For the Period From October 1, 2005 to September 30, 2006

Cost Category	Budget	Actual
Expenses		
Personnel	\$ 139,945	\$ 141,162
Supplies	7,470	7,188
Transportation	5,502	4,413
Rent/Utilities	9,398	5,584
Communications	2,784	1,564
Other	163	335
Indirect	14,834	14,963
	<u>180,096</u>	<u>175,209</u>
Food Costs - Home Providers	<u>713,496</u>	<u>757,905</u>
Total Expenses	893,592	933,114
Less: CSBG Co-Funded	<u>9,576</u>	<u>20,153</u>
Net Funded by Grant	<u>\$ 884,016</u>	<u>\$ 912,961</u>

Child Care Centers - Contract No. 83-8010
For the Period From October 1, 2005 to September 30, 2006

	Budget	Actual
Food Costs	\$ 264,672	\$ 281,219
Kitchen Supplies and Other Costs	8,730	10,540
Rent	9,660	4,470
Food Service Labor and Benefits	16,098	17,849
Indirect	<u>1,706</u>	<u>1,892</u>
Total Expenses	300,866	315,970
Less: Other Funding	<u>33,776</u>	<u>37,489</u>
Net Funded by Grant	<u>\$ 267,090</u>	<u>\$ 278,481</u>

WEST CENTRAL DEVELOPMENT CORPORATION
Iowa Department of Human Services

Child Care Resource and Referral Program
Schedule of Grant/Contract Activity
For the Period From July 1, 2005 to June 30, 2006

	Budget	Actual
Revenues		
Grants and Contracts	\$ 771,713	\$ 728,302
Inkind	146,373	146,373
Training		14,458
Regional Home Consultant Carryover		15,416
Welcome to School Age Series Carryover		1,813
CCR&R Carryover		66,597
		<hr/>
Total Revenue	918,086	972,959
		<hr/>
Child Care Resource and Referral Expenses		
Salaries and Wages	186,787	189,113
Fringe Benefits	81,361	80,758
Office Supplies/Dues/Fees/Educational Materials	10,834	26,741
Printing/Photocopy/Postage/Telephone	16,700	15,240
Travel - In Area	7,327	6,394
Travel - Out Of Area	10,600	13,668
Equipment Purchase/Rental/Maintenance/Insurance	5,374	7,552
Space/Utilities/Maintenance	12,978	17,434
Advertising	2,650	1,411
Staff and Provider Training	36,168	55,384
Safety Incentives		8,611
Subcontractor Expenses	119,585	118,698
Subcontractor Provider Training/Child Net	66,190	67,077
Indirect - Agency	28,938	28,729
		<hr/>
Total Child Care Resource & Referral Expenses	585,492	636,810
		<hr/>
Infant/Toddler Expenses		
Iowa PITC Training	15,476	17,304
Salaries and Wages	18,343	16,700
Fringe Benefits	8,517	5,250
Rent/Utilities/Maintenance	1,500	1,419
Dues/Fees/Registrations	1,500	2,030
Printing/Photocopy	1,300	1,364
Travel - In Area	1,900	1,598
Travel - Out Of Area	5,874	1,227
Equipment Purchase/Rental/Maintenance	3,250	3,443
Postage/Office Supplies/Advertising/Other	2,850	3,677
Telephone	500	206
Education Materials	2,000	1,957
Indirect - Agency	2,847	2,334
		<hr/>
Total Infant/Toddler Expenses	\$ 65,857	\$ 58,509
		<hr/>

(Continued)

WEST CENTRAL DEVELOPMENT CORPORATION
Iowa Department of Human Services

(Continued)

Child Care Resource and Referral Program
Schedule of Grant/Contract Activity
For the Period From July 1, 2005 to June 30, 2006

	<u>Budget</u>	<u>Actual</u>
Regional Home Consultant		
Salaries and Wages	\$ 17,303	\$ 22,621
Fringe Benefits	5,541	7,287
Postage/Photocopy	400	582
Office Supplies	379	66
Dues/Fees	200	805
Travel - In Area	1,400	2,537
Travel - Out Of Area	900	289
Equipment Purchase/Rental/Maintenance	60	-
Space/Utilities/Maintenance	600	795
Telephone	750	922
Home Consultant Subcontractor	20,000	20,000
Indirect - Agency	<u>2,467</u>	<u>3,185</u>
Total Regional Home Consultant	50,000	59,089
 Business Start-Up Kits	 15,000	 15,000
Parent Services	50,000	50,000
Welcome to School Age Series	5,364	7,178
Inkind Contributions	146,373	146,373
	<u> </u>	<u> </u>
 Total Expenses	 <u>\$ 918,086</u>	 <u>\$ 972,959</u>

WEST CENTRAL DEVELOPMENT CORPORATION
Iowa Department of Human Rights
Division of Community Action Agencies

**Family Development and Self-Sufficiency Grant
Contract FaDSS-06-17-FP**

Schedule of Grant/Contract Activity
For the Period From July 1, 2005 to June 30, 2006

	<u>Budget</u>	<u>Actual</u>
Revenues		
Grant Revenue	\$ 338,034	\$ 338,034
Local Fuds/CSBG Support	38,556	45,409
Other Revenue		250
	<u>376,590</u>	<u>383,693</u>
 Expenses		
Indirect Costs - Administrative	31,133	31,463
Personnel Wages	197,925	201,129
Benefits	90,258	94,308
Travel	18,200	19,077
Space Costs/Utilities	21,464	20,530
Third-Party Payments	85	85
Other Costs	17,525	17,101
	<u>376,590</u>	<u>383,693</u>
 Total Expenses	376,590	383,693
 Less - Supported By CSBG Funds	38,556	45,409
- Supported By Other Revenue		250
	<u>38,556</u>	<u>45,659</u>
 Total Federal and State Expenditures	<u>\$ 338,034</u>	<u>\$ 338,034</u>

WEST CENTRAL DEVELOPMENT CORPORATION
U.S. Department of Labor

Senior Service America, Inc.
Senior Aides (Title V) Program Grant Number AD-14135-04-60
Schedule of Grant/Contract Activity
For the Period From July 1, 2005 to June 30, 2006

	<u>Budget</u>	<u>Actual</u>
Expenses		
Personnel		
Wages	\$ 314,757	\$ 314,757
Fringe Benefits		
FICA	24,080	24,080
Workers' Compensation	10,060	10,060
Physical Exams	180	180
Program - Other		
Sponsor Staff Cost	10,110	10,110
Transportation	3,643	3,643
Training	900	900
Project Administration		
Sponsor Staff Cost	30,421	30,421
Total Federal Share	<u>394,151</u>	<u>394,151</u>
Local Expenses		
In Kind Component	<u>50,076</u>	<u>69,324</u>
Total Local Share	<u>50,076</u>	<u>69,324</u>
Total Expenses	<u>\$ 444,227</u>	<u>\$ 463,475</u>

Senior Service America, Inc.
Senior Aides (Title V) Program Grant Number AD-14135-04-60
Schedule of Grant/Contract Activity
For the Period From July 1, 2006 to September 30, 2006

	<u>Budget</u>	<u>Actual</u>
Expenses		
Personnel		
Wages	\$ 75,734	\$ 66,064
Fringe Benefits		
FICA	5,794	5,054
Workers' Compensation	2,915	2,546
Physical Exams	60	60
Program - Other		
Sponsor Staff Cost	3,445	3,445
Transportation	218	218
Project Administration		
Sponsor Staff Cost	7,605	7,605
Total Federal Share	<u>95,771</u>	<u>84,992</u>
Local Expenses		
In Kind Component	<u>12,519</u>	<u>15,187</u>
Total Local Share	<u>12,519</u>	<u>15,187</u>
Total Expenses	<u>\$ 108,290</u>	<u>\$ 100,179</u>

WEST CENTRAL DEVELOPMENT CORPORATION
Iowa Department of Human Services

Empowerment Programs
Pottawattamie Empowerment
Schedule of Grant/Contract Activity
For the Period From July 1, 2005 to June 30, 2006

	<u>Budget</u>	<u>Actual</u>
Empowerment Grant		
Personnel Wages	\$ 66,130	\$ 64,582
Benefits	39,338	35,409
Supplies	3,416	2,200
Rent	9,720	8,605
Equipment Purchase/Rental/Maintenance	480	126
Educational/Resource Materials	780	1,269
Travel	5,700	5,395
Telephone	1,500	846
Other Direct Expenses	1,320	1,317
Assistance	63,180	66,586
Home Care Subsidy	28,963	14,615
Center Care Subsidy	31,590	10,787
Indirect	11,391	10,651
	<u> </u>	<u> </u>
Total Pottawattamie Empowerment	<u>\$ 263,508</u>	<u>\$ 222,388</u>

Cass/Mills/Montgomery Empowerment
Schedule of Grant/Contract Activity
For the Period From July 1, 2005 to June 30, 2006

	<u>Budget</u>	<u>Actual</u>
Empowerment Grant		
Personnel Wages	\$ 26,509	\$ 24,943
Benefits	6,192	5,527
Supplies	360	403
Rent/Utilities/Maintenance	1,800	1,800
Educational/Resource Materials	1,500	1,547
Travel	3,880	4,008
Telephone	1,140	983
Assistance	51,288	54,113
Other Direct Expenses	1,850	1,271
Indirect	3,532	3,244
	<u> </u>	<u> </u>
Total Cass/Mills/Montgomery Empowerment	<u>\$ 98,051</u>	<u>\$ 97,839</u>

WEST CENTRAL DEVELOPMENT CORPORATION
Iowa Department of Human Services

Empowerment Programs
Corner Counties Empowerment
Schedule of Grant/Contract Activity

For the Period From July 1, 2005 to June 30, 2006

	<u>Budget</u>	<u>Actual</u>
Empowerment Grant		
Personnel Wages	\$ 13,857	\$ 10,658
Benefits	2,456	1,943
Supplies	300	248
Rent	600	1,799
Travel	1,120	1,346
Telephone	540	191
Educational/Resource Materials	700	313
Assistance	16,450	14,575
Other Direct Expenses	670	548
Indirect	<u>1,762</u>	<u>1,344</u>
Total Corner Counties Empowerment	<u>\$ 38,455</u>	<u>\$ 32,965</u>

Harrison, Monona & Shelby Empowerment

Schedule of Grant/Contract Activity

For the Period From July 1, 2005 to June 30, 2006

	<u>Budget</u>	<u>Actual</u>
Empowerment Grant		
Personnel Wages	\$ 12,511	\$ 9,603
Benefits	2,942	3,288
Supplies	741	601
Rent	1,690	1,871
Travel	2,400	2,057
Telephone	216	455
Assistance	25,450	26,304
Other Direct Expenses	163	265
Indirect	<u>1,647</u>	<u>1,371</u>
Total Harrison, Monona & Shelby Empowerment	<u>\$ 47,760</u>	<u>\$ 45,815</u>

WEST CENTRAL DEVELOPMENT CORPORATION
U.S. Department of Housing and Urban Development

Emergency Food And Shelter Program
Schedule of Grant/Contract Activity
For the Period From January 1, 2005 to December 31, 2005

	<u>Budget</u>	<u>Actual</u>
Revenue		
Grant Revenue	\$ 34,331	\$ 34,331
Interest Income		23
CSBG Co-Funding		2,838
	<u>34,331</u>	<u>37,192</u>
Expenses		
Administrative Costs	687	3,539
Cass County	6,843	6,844
Crawford County	4,276	4,277
Fremont County	1,982	1,982
Harrison County	4,116	4,116
Mills County	3,150	3,152
Monona County	2,817	2,818
Montgomery County	3,350	3,350
Page County	4,635	4,638
Shelby County	2,475	2,476
	<u>\$ 34,331</u>	<u>\$ 37,192</u>
Total Expenses		

US DEPARTMENT OF AGRICULTURE

Certification Regarding Debarment, Suspension, Ineligibility And Voluntary Exclusion – Lower Tier Covered Transactions

This certification is required by the regulations implementing Executive Order 12549, Debarment and Suspension, 7 CFR Part 3017, Section 3017.510, Participants' responsibilities. The regulations were published as Part IV of the January 30, 1989, Federal Register (pages 4722-4733). Copies of the regulations may be obtained by contacting the Department of Agriculture agency with which this transaction originated.

(BEFORE COMPLETING CERTIFICATION, READ INSTRUCTIONS ON REVERSE)

- 1) The prospective lower tier participant certifies, by submission of this proposal, that neither it nor its principals is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any Federal department or agency.
- 2) Where the prospective lower tier participant is unable to certify to any of the statements in this certification, such prospective participant shall attach an explanation to this proposal.

Williams & Company, P.C.
Organization Name

PR/Award Number or Project Name

David D. Radke, CPA
Name and Title of Authorized Representative

David Radke
Signature

2-16-06
Date

INSTRUCTIONS FOR CERTIFICATION

1. By signing and submitting this form, the prospective lower tier participant is providing the certification set out on the reverse side in accordance with these instructions.
2. The certification in this clause is a material representation of fact upon which reliance was placed when this transaction was entered into. If it is later determined that the prospective lower tier participant knowingly rendered an erroneous certification, in addition to other remedies available to the Federal Government, the department or agency with which this transaction originated may pursue available remedies, including suspension and/or disbarment.
3. The prospective lower tier participant shall provide immediate written notice to the person to which this proposal is submitted if at any time the prospective lower tier participant learns that its certification was erroneous when submitted or has become erroneous by reason of changed circumstances.
4. The terms "covered transactions," "debarred," "suspended," "ineligible," "lower tier covered transaction," "participant," "person," "primary covered transaction," "principal," "proposal," and "voluntarily excluded," as used in this clause, have the meanings set out in the Definitions and Coverage sections of rules implementing Executive Order 12549. You may contact the person to which this proposal is submitted for assistance in obtaining a copy of those regulations.
5. The prospective lower tier participant agrees by submitting this form that, should the proposed covered transaction be entered into, it shall not knowingly enter into any lower tier covered transaction with a person who is debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by the department or agency with which this transaction originated.
6. The prospective lower tier participant further agrees by submitting this form that it will include this clause titled, "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion - Lower Tier Covered Transactions," without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions.
7. A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that is not debarred, suspended, ineligible, or voluntarily excluded from the covered transaction, unless it knows that the certification is erroneous. A participant may decide the method and frequency by which it determines the eligibility of its principals. Each participant may, but is not required to, check the Nonprocurement list.
8. Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render in good faith the certification required by this clause. The knowledge and information of a participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.
9. Except for transactions authorized under paragraph 5 of these instructions, if a participant in a covered transaction knowingly enters into a lower tier covered transaction with a person who is suspended, debarred, ineligible, or voluntarily excluded from participation in this transaction, in addition to other remedies available to the Federal Government, the department or agency with which this transaction originated may pursue available remedies, including suspension and/or debarment.

WEST CENTRAL DEVELOPMENT CORPORATION
Schedule of Revenue and Expenses
Direct Cost Allocation Pools
For the Year Ended September 30, 2006

	<u>Total</u>	<u>Weatherization</u>	<u>Central Space Costs</u>	<u>Photocopy Costs</u>	<u>Postage Allocation</u>	<u>Outreach Costs</u>
Revenue						
Reimbursed by Programs	\$ 346,433	\$ 201,539	\$ 38,284	\$ 9,430	\$ 1,982	\$ 95,198
Community Service Block Grant Support	344,071	411				343,660
Contributions	300	300				
In Kind Donations	203,129					203,129
Total Support and Revenue	<u>893,933</u>	<u>202,250</u>	<u>38,284</u>	<u>9,430</u>	<u>1,982</u>	<u>641,987</u>
Expenses						
Personnel	324,897	141,069				183,828
Fringe Benefits and Payroll Taxes	94,885	38,956				55,929
Contract Labor and Services	27,257	27,257				
Supplies	9,781	927	869	712	527	6,746
Rent	116,553	11,162	19,836			85,555
Building Maintenance	21,385		8,412			12,973
Equipment Maintenance	10,264	120		4,408	478	5,258
Equipment Lease	5,287			4,310	977	
Insurance	6,762		2,367			4,395
Travel and Vehicle Expense	3,351	17				3,334
Telephone	30,857	1,749	815			28,293
Utilities	28,346		5,985			22,361
Indirect	44,497	19,083				25,414
Other Direct Expenses	20,302	15,530				4,772
Total Expenses	<u>744,424</u>	<u>255,870</u>	<u>38,284</u>	<u>9,430</u>	<u>1,982</u>	<u>438,858</u>
In Kind						
Nonprofessional Volunteers	2,094					2,094
Clothing	107,575					107,575
Food	84,262					84,262
Christmas Adoption	9,198					9,198
Total In Kind	<u>203,129</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>203,129</u>
Total Expenses and In Kind	<u>947,553</u>	<u>255,870</u>	<u>\$ 38,284</u>	<u>\$ 9,430</u>	<u>\$ 1,982</u>	<u>\$ 641,987</u>
Deficiency of Revenues Under Expenditures	<u>\$ (53,620)</u>	<u>\$ (53,620)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

WEST CENTRAL DEVELOPMENT CORPORATION
Schedule of Revenue and Expenses
Indirect Cost Allocation Pool
For the Year Ended September 30, 2006

Revenue		
Interest Income		\$ 557
Indirect Cost Reimbursements from Programs		
Low Income Home Energy Assistance Program	\$ 20,680	
Head Start	267,800	
Wrap Around Child Care Grant	39,441	
Weatherization Assistance HEAP	20	
Women, Infants, and Children	33,381	
Child and Adult Care Food Program - Homes	14,963	
Child and Adult Care Food Program - Centers	1,892	
Child Care Resource and Referral	36,027	
Family Development and Self-Sufficiency	30,519	
Senior Service America, Inc.	40,687	
I Care	1	
H/M/S Empowerment	1,890	
Pottawattamie Empowerment	10,558	
C/M/M Empowerment	3,322	
Corner Counties Empowerment	1,289	
Shelby County Early Childhood Center	47	
Emergency Food and Shelter	154	
Pottawattamie County Quality Rating	1,211	
Community Assistance Food Program	1,631	
Weatherization Assistance Cost Allocation Pool	\$ 44,497	
Total Indirect Cost Reimbursement From Programs		<u>550,010</u>
Total Support and Revenue		550,567
Expenses		
Salaries and Wages		341,150
Fringe Benefits and Payroll Taxes		100,399
Supplies		10,910
Rent		18,619
Equipment Maintenance/ Rental		3,100
Travel		9,258
Telephone		4,193
Photocopy		5,113
Postage		9,503
Subscriptions/Publications		915
Dues/Fees		2,691
Consultants		1,400
Computer Expenses		1,211
Registration Fee and Training		9,949
Audit		17,265
Insurance		8,809
Board Expenses		4,346
Miscellaneous		1,572
Total Expenses		<u>550,403</u>
Excess of Revenues over Expenses		164
Net Assets - Beginning of Year		<u>22,613</u>
Net Assets - End of Year		<u>\$ 22,777</u>

West Central Development Corporation
Schedule of Revenue and Expenses
Indirect Reimbursement from Programs
For the Year Ended September 30, 2006

Program	Wages and Fringe Benefits	Indirect Cost
Low Income Home Energy Assistance Program	\$ 195,092	\$ 20,680
Head Start	2,526,410	267,800
Wrap Around Child Care Grant	372,068	39,441
Weatherization Assistance HEAP	194	20
Women, Infants and Children	314,919	33,381
Child and Adult Care Food Program - Homes	141,162	14,963
Child and Adult Care Food Program - Centers	17,849	1,892
Child Care Resource and Referral	339,883	36,027
Family Development and Self-Sufficiency	287,912	30,519
Senior Service America, Inc.	383,842	40,687
I Care	8	1
H/M/S Empowerment	17,830	1,890
Pottawattamie Empowerment	99,600	10,558
C/M/M Empowerment	31,342	3,322
Corner Counties Empowerment	12,158	1,289
Shelby County Early Childhood Center	446	47
Emergency Food and Shelter	1,456	154
Pottawattamie County Quality Rating	11,427	1,211
Community Assistance Food Program	15,390	1,631
Weatherization Assistance Cost Allocation Pool	419,782	44,497
Totals	<u>\$ 5,188,770</u>	<u>550,010</u>
Total Wages and Benefits		5,188,770
Indirect Cost Percentage		10.6%
Total Indirect Reimbursement Charged to Programs		<u>\$ 550,010</u>

WEST CENTRAL DEVELOPMENT CORPORATION
Schedule of Revenue, Expenses, and Changes in Net Assets
Undesignated Fund
For the Year Ended September 30, 2006

Support and Revenue		
County Support		
Cass	\$ 3,000	
Crawford	2,500	
Fremont	3,000	
Harrison	4,350	
Mills	2,000	
Monona	2,000	
Montgomery	2,500	
Page	3,000	
Pottawattamie	3,000	
Shelby	<u>2,000</u>	\$ 27,350
Donations		328
Interest Income		28,458
Harlan United Way		1,328
Gain on sale of Real Estate		37,000
Other		35,825
Food Pantry and Christmas Adoption Donations		<u>16,944</u>
Total Revenue		147,233
Expenses		
Other		55,869
Food Pantry and Christmas Adoption		<u>7,421</u>
Total Expenses		<u>63,290</u>
Excess of Support and Revenue Over Expenses Before Capital Additions		83,943
Transfers		
Loan Proceeds		39,749
Principal and Interest Payments		<u>(20,664)</u>
		<u>19,085</u>
Excess of Support and Revenue Over Expenses and Transfers		103,028
Net Assets - Beginning of Year		<u>730,038</u>
Net Assets - End of Year		<u><u>\$ 833,066</u></u>

OMB CIRCULAR A-133 COMPLIANCE SECTION

WEST CENTRAL DEVELOPMENT CORPORATION

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL
OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

To the Board of Directors
West Central Development Corporation
Harlan, Iowa

Compliance:

We have audited the compliance of West Central Development Corporation with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended September 30, 2006. West Central Development Corporation's major federal programs are identified in the summary of auditors' results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of West Central Development Corporation's management. Our responsibility is to express an opinion on the Organizations' compliance based on our audit.

We conducted our audit of compliance in accordance with U.S. generally accepted auditing standards; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about West Central Development Corporation's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the Organizations' compliance with those requirements.

In our opinion, West Central Development Corporation complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended September 30, 2006.

Internal Control Over Compliance:

The management of West Central Development Corporation is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered West Central Development Corporation's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weakness. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operations that we consider to be material weaknesses.

This report is intended solely for the information of the audit committee, management, Department of Human Services, federal awarding agencies, and pass-through entities and is not intended to be used by anyone other than these specified parties.

Williams & Company PC
Certified Public Accountants

Onawa, Iowa
December 15, 2006



1009 Iowa Avenue
P.O. Box 238
Onawa, IA 51040
Phone (712) 423-2616
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**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE AND ON INTERNAL
CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Board of Directors
West Central Development Corporation
Harlan, Iowa

We have audited the financial statements of West Central Development Corporation as of and for the year ended September 30, 2006, and have issued our report thereon dated December 15, 2006. We conducted our audit in accordance with U.S. generally accepted auditing standards, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance:

As part of obtaining reasonable assurance about whether West Central Development Corporation's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting:

In planning and performing our audit, we considered West Central Development Corporation's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended solely for the information of the audit committee, management, Department of Human Services, federal awarding agencies, and pass-through entities and is not intended to be used by anyone other than these specified parties.

We would like to acknowledge the many courtesies and assistance extended to us by personnel of West Central Development Corporation during the course of our audit.

Should you have any questions concerning any of the above matters we shall be pleased to discuss them with you at your convenience.

William S. Company PC
Certified Public Accountants

Onawa, Iowa
December 15, 2006

WEST CENTRAL DEVELOPMENT CORPORATION
Schedule of Findings and Questioned Costs
For the Year Ended September 30, 2006

Section I --- Summary of Auditors' Results

- (a) An unqualified opinion was issued on compliance with requirements applicable to each major program.
- (b) No reportable conditions or material weaknesses in internal control over major programs were disclosed by the audit of the financial statements.
- (c) The audit did not disclose any non-compliance which is material to the financial statements.
- (d) No reportable conditions or material weaknesses in internal control over financial reporting were identified.
- (e) The audit disclosed no audit findings which are required to be reported in accordance with Office of Management and Budget Circular A-133, Section .510(a).
- (f) Major programs were as follows:
 - CFDA Number 17.235 – Senior Aide Program
 - CFDA Number 10.558 – Child and Adult Care Food Program
 - CFDA Number 93.569 – Community Services Block Grant
 - CFDA Number 10.557 – Special Supplemental Nutrition Program for Women, Infants & Children (WIC)
 - CFDA Number 93.568 – Low-Income Home Energy Assistance
- (g) The dollar threshold used to distinguish between Type A and Type B programs was \$300,000.
- (h) West Central Development Corporation qualified as a low-risk auditee.

Section II ---Financial Statement Findings

No matters were reported.

Section III – Federal Award Findings and Questioned Costs

No matters were reported.

WEST CENTRAL DEVELOPMENT CORPORATION
Schedule of Prior Year Audit Findings
For the Year Ended September 30, 2006

There were no audit findings in the prior year.



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December 15, 2006

To the Board of Directors
West Central Development Corporation
Harlan, Iowa

We have audited the financial statements of West Central Development Corporation for the year ended September 30, 2006, and have issued our report thereon dated December 15, 2006. Professional standards require that we provide you with the following information related to our audit.

Our Responsibility under Generally Accepted Auditing Standards

As stated in our engagement letter dated September 30, 2006, our responsibility, as described by professional standards, is to plan and perform our audit to obtain reasonable, but not absolute, assurance about whether the financial statements are free of material misstatement. Because of the concept of reasonable assurance and because we did not perform a detailed examination of all transactions, there is a risk that material errors, fraud, or other illegal acts may exist and not be detected by us.

In planning and performing our audit, we considered the Organization's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting.

As part of obtaining reasonable assurance about whether the Organization's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit. While our audit provides a reasonable basis for our opinion, it does not provide a legal determination on the Organization's compliance with those requirements.

Significant Accounting Policies

Management has the responsibility for selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we will advise management about the appropriateness of accounting policies and their application. The significant accounting policies used by the Organization are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year ended September 30, 2006. We noted no transactions entered in to by the Organization during the year that were both significant and unusual, and of which, under professional standards, we are required to inform you, or transactions for which there is a lack of authoritative guidance or consensus.

Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate affecting the financial statements were:

Management's estimate of the lives of fixed assets is based on the economic useful life of assets in similar organizations. We evaluated the key factors and assumptions used to develop the lives of fixed assets in determining that it is reasonable in relation to the financial statements taken as a whole.

Significant Audit Adjustments

For purposes of this letter, professional standards define a significant audit adjustment as a proposed correction of the financial statements that, in our judgment, may not have been detected except through our auditing procedures. These adjustments have been made and there are no identified material unrecorded adjusting journal entries.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Organization's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Issues Discussed Prior to Retention of Independent Auditors

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Organization's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.


Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

This information is intended solely for the information of the audit committee, management, Department of Human Services, federal awarding agencies, and pass through entities and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

WILLIAMS & COMPANY, P.C.

A handwritten signature in black ink, appearing to read "David Radke". The signature is written in a cursive, flowing style.

David D. Radke, CPA